



## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Centers for Medicare & Medicaid Services**

**[CMS-2395-N]**

**RIN: 0938Z**

### **Medicaid Program; State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals (QIs): Federal Fiscal Years 2013 and 2014**

**AGENCY:** Centers for Medicare & Medicaid Services (CMS), HHS.

**ACTION:** Notice.

**SUMMARY:** This notice sets forth the states' final allotments available to pay the Medicare Part B premiums for Qualifying Individuals (QIs) for the federal fiscal year (FY) 2013 and the preliminary QI allotments for FY 2014. The amounts of these QI allotments were determined in accordance with the methodology set forth in regulations and reflect funding for the QI program made available under recent legislation.

**DATES:** The final QI allotments for payment of Medicare Part B premiums for FY 2013 are effective October 1, 2012. The preliminary QI allotments for FY 2014 are effective October 1, 2013.

#### **FOR FURTHER INFORMATION CONTACT:**

Diana Kuhn, (410) 786-1914 or Toni Cincibus at (410)786-2997.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

##### **A. QI Allotments for FY 2013**

Section 3101 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. 112-96, enacted on February 22, 2012) (MCTRJCA) extended the authority and funding for the QI program by providing \$280 million, available for the period October 1, 2012 through December 31, 2012, the first quarter of FY 2013. Section 621 of the American Taxpayer Relief Act of 2012 (Pub. L. 112-240, enacted on January 2, 2013) (ATRA), extended the authority for the QI program for all of FY 2013 and provided \$485 million in additional funding for the program for the period January 1, 2013 through September 30, 2013. Therefore the total funding available for the QI program for FY 2013 is \$765 million (\$280 million plus \$485 million).

B. QI Allotments for FY 2014 and Thereafter

As amended by section 621 of the American Taxpayer Relief Act of 2012 (ATRA, Pub. L. 112-240, enacted on January 2, 2013), section 1933(g)(2) of the Social Security Act provided \$300 million in funding for the period October 1, 2013 through December 31, 2013, the first quarter of FY 2014. Section 1201 of Division B of the legislation “Pathway for SGR Reform Act of 2013” (Pub. L. 113-67 enacted on December 26, 2013) provided an additional \$200 million and authority for the QI program for the period January 1, 2014 through March 31, 2014 (second quarter of FY 2014). In addition, section 201 of the Protecting Access to Medicare Act of 2014 (PAMA) (Pub. L. 113-93 enacted on April 1, 2014) revised the \$200 to \$485 million and extended the period for which such funds were available to the end of September 2014. Therefore, a total of \$785 million is now available for all of FY 2014 (\$300 million for the first quarter of FY 2014, and \$485 million for the second through fourth quarters of FY 2014). Finally, section 201 of PAMA further extended the authority and funding for the QI program for FY 2015 as follows: \$300 million for the period October 1, 2014 through December 31, 2014 (first quarter of FY 2015); and, \$250 million for the period January 1, 2015 through March 31,

2015 (second quarter FY 2015). Therefore, a total of \$550 million is available for the QI program for FY 2015.

C. Methodology for Calculating the Fiscal Year QI Allotments.

The amounts of the states' final FY 2013 and preliminary FY 2014 QI allotments, contained in this notice, were determined in accordance with the methodology set forth in existing regulations at 42 CFR 433.10(c)(5) and reflect funding for the QI program made available under the legislation discussed above.

**II. Tables**

The final QI allotments for FY 2013 and the preliminary QI allotments for FY 2014 are shown by state in Table 1 and Table 2, respectively:

Table 1-Final Qualifying Individuals Allotments for October 1, 2012 through September 30, 2013.

Table 2-Preliminary Qualifying Individuals Allotments for October 1, 2013 through September 30, 2014.

**TABLE 1: Final Qualifying Individuals Allotments for October 1, 2012 through September 30, 2013**

STATE	Initial QI Allotments for FY 2013			FY 2013 Estimated QI Expenditures <sup>1</sup>	Need (Difference)  If E>D, E-D	Pct of Tot. Need States  F/(Tot. of F)	Reduction Pool for Non- Need States If D >= E, D - E	Pct of Tot. Non-Need States H/ (Tot. of H)	Reduction Adj. For Non-Need States Col. I x \$105,466,335	Increase Adj. For Need States Col. G x \$105,466,335	Final FY 2013 QI Allotment <sup>2</sup>
	Number of Individuals <sup>3</sup> (000s)	Percentage of Total Col B/ Tot. Col B	Initial QI Allotment Col C x \$765,000,000								
A	B	C	D	E	F	G	H	I	J	K	L
Alabama	38	2.64%	\$20,159,501	\$22,544,081	\$2,384,580	2.2610%	Need	Need	Need	\$2,384,580	\$22,544,081
Alaska	2	0.14%	\$1,061,026	\$326,300	NA	NA	\$734,726	0.4320%	\$455,613	NA	\$605,414
Arizona	21	1.46%	\$11,140,777	\$19,563,390	\$8,422,614	7.9861%	Need	Need	Need	\$8,422,614	\$19,563,390
Arkansas	27	1.87%	\$14,323,856	\$13,956,348	NA	NA	\$367,508	0.2161%	\$227,896	NA	\$14,095,960
California	107	7.42%	\$56,764,910	\$28,189,619	NA	NA	\$28,575,291	16.8015%	\$17,719,883	NA	\$39,045,026
Colorado	16	1.11%	\$8,488,211	\$6,005,621	NA	NA	\$2,482,589	1.4597%	\$1,539,484	NA	\$6,948,727
Connecticut	15	1.04%	\$7,957,698	\$3,902,339	NA	NA	\$4,055,359	2.3844%	\$2,514,777	NA	\$5,442,921
Delaware	4	0.28%	\$2,122,053	\$3,211,361	\$1,089,308	1.0328%	Need	Need	Need	\$1,089,308	\$3,211,361
District of Columbia	2	0.14%	\$1,061,026	\$0	NA	NA	\$1,061,026	0.6239%	\$657,955	NA	\$403,071
Florida	96	6.66%	\$50,929,265	\$72,316,568	\$21,387,303	20.2788%	Need	Need	Need	\$21,387,303	\$72,316,568
Georgia	45	3.12%	\$23,873,093	\$34,507,397	\$10,634,304	10.0831%	Need	Need	Need	\$10,634,304	\$34,507,397
Hawaii	6	0.42%	\$3,183,079	\$1,409,689	NA	NA	\$1,773,390	1.0427%	\$1,099,701	NA	\$2,083,378
Idaho	7	0.49%	\$3,713,592	\$2,677,626	NA	NA	\$1,035,967	0.6091%	\$642,415	NA	\$3,071,177
Illinois	68	4.72%	\$36,074,896	\$24,744,637	NA	NA	\$11,330,259	6.6619%	\$7,026,031	NA	\$29,048,864
Indiana	43	2.98%	\$22,812,067	\$5,829,210	NA	NA	\$16,982,857	9.9854%	\$10,531,275	NA	\$12,280,791
Iowa	16	1.11%	\$8,488,211	\$4,584,319	NA	NA	\$3,903,892	2.2954%	\$2,420,851	NA	\$6,067,360
Kansas	18	1.25%	\$9,549,237	\$5,023,657	NA	NA	\$4,525,580	2.6609%	\$2,806,367	NA	\$6,742,870
Kentucky	34	2.36%	\$18,037,448	\$15,065,051	NA	NA	\$2,972,397	1.7477%	\$1,843,219	NA	\$16,194,229
Louisiana	29	2.01%	\$15,384,882	\$20,831,932	\$5,447,049	5.1647%	Need	Need	Need	\$5,447,049	\$20,831,932
Maine	7	0.49%	\$3,713,592	\$6,075,634	\$2,362,042	2.2396%	Need	Need	Need	\$2,362,042	\$6,075,634
Maryland	24	1.66%	\$12,732,316	\$8,959,072	NA	NA	\$3,773,244	2.2186%	\$2,339,834	NA	\$10,392,482
Massachusetts	28	1.94%	\$14,854,369	\$9,694,545	NA	NA	\$5,159,824	3.0338%	\$3,199,669	NA	\$11,654,700
Michigan	38	2.64%	\$20,159,501	\$14,816,534	NA	NA	\$5,342,966	3.1415%	\$3,313,238	NA	\$16,846,263
Minnesota	22	1.53%	\$11,671,290	\$6,389,653	NA	NA	\$5,281,637	3.1055%	\$3,275,207	NA	\$8,396,083
Mississippi	18	1.25%	\$9,549,237	\$15,212,658	\$5,663,421	5.3699%	Need	Need	Need	\$5,663,421	\$15,212,658

STATE	Initial QI Allotments for FY 2013			FY 2013 Estimated QI Expenditures <sup>1</sup>	Need (Difference)  If E>D, E-D	Pct of Tot. Need States  F/(Tot. of F)	Reduction Pool for Non- Need States If D >= E, D - E	Pct of Tot. Non-Need States H/ (Tot. of H)	Reduction Adj. For Non-Need States Col. I x \$105,466,335	Increase Adj. For Need States Col. G x \$105,466,335	Final FY 2013 QI Allotment <sup>2</sup>
	Number of Individuals <sup>3</sup> (000s)	Percentage of Total Col B/ Tot. Col B	Initial QI Allotment Col C x \$765,000,000								
Missouri	39	2.70%	\$20,690,014	\$4,395,160	NA	NA	\$16,294,854	9.5809%	\$10,104,636	NA	\$10,585,377
Montana	6	0.42%	\$3,183,079	\$1,543,785	NA	NA	\$1,639,294	0.9639%	\$1,016,546	NA	\$2,166,533
Nebraska	6	0.42%	\$3,183,079	\$2,283,431	NA	NA	\$899,648	0.5290%	\$557,882	NA	\$2,625,197
Nevada	10	0.69%	\$5,305,132	\$5,391,707	\$86,575	0.0821%	Need	Need	Need	\$86,575	\$5,391,707
New Hampshire	6	0.42%	\$3,183,079	\$2,269,086	NA	NA	\$913,993	0.5374%	\$566,778	NA	\$2,616,301
New Jersey	40	2.77%	\$21,220,527	\$7,810,549	NA	NA	\$13,409,979	7.8847%	\$8,315,690	NA	\$12,904,836
New Mexico	9	0.62%	\$4,774,619	\$4,117,952	NA	NA	\$656,667	0.3861%	\$407,207	NA	\$4,367,412
New York	85	5.89%	\$45,093,620	\$46,198,147	\$1,104,527	1.0473%	Need	Need	Need	\$1,104,527	\$46,198,147
North Carolina	38	2.64%	\$20,159,501	\$29,670,994	\$9,511,493	9.0185%	Need	Need	Need	\$9,511,493	\$29,670,994
North Dakota	3	0.21%	\$1,591,540	\$670,202	NA	NA	\$921,338	0.5417%	\$571,333	NA	\$1,020,207
Ohio	54	3.74%	\$28,647,712	\$26,381,913	NA	NA	\$2,265,799	1.3322%	\$1,405,049	NA	\$27,242,662
Oklahoma	27	1.87%	\$14,323,856	\$10,320,039	NA	NA	\$4,003,816	2.3541%	\$2,482,815	NA	\$11,841,041
Oregon	17	1.18%	\$9,018,724	\$14,297,554	\$5,278,830	5.0052%	Need	Need	Need	\$5,278,830	\$14,297,554
Pennsylvania	78	5.41%	\$41,380,028	\$33,265,180	NA	NA	\$8,114,848	4.7713%	\$5,032,115	NA	\$36,347,913
Rhode Island	6	0.42%	\$3,183,079	\$2,439,790	NA	NA	\$743,289	0.4370%	\$460,923	NA	\$2,722,156
South Carolina	33	2.29%	\$17,506,935	\$14,903,998	NA	NA	\$2,602,937	1.5305%	\$1,614,113	NA	\$15,892,822
South Dakota	4	0.28%	\$2,122,053	\$1,623,719	NA	NA	\$498,334	0.2930%	\$309,023	NA	\$1,813,030
Tennessee	48	3.33%	\$25,464,632	\$31,271,663	\$5,807,030	5.5061%	Need	Need	Need	\$5,807,030	\$31,271,663
Texas	106	7.35%	\$56,234,397	\$78,081,412	\$21,847,015	20.7147%	Need	Need	Need	\$21,847,015	\$78,081,412
Utah	6	0.42%	\$3,183,079	\$2,018,266	NA	NA	\$1,164,813	0.6849%	\$722,315	NA	\$2,460,765
Vermont	2	0.14%	\$1,061,026	\$3,574,197	\$2,513,171	2.3829%	Need	Need	Need	\$2,513,171	\$3,574,197
Virginia	23	1.60%	\$12,201,803	\$14,128,876	\$1,927,073	1.8272%	Need	Need	Need	\$1,927,073	\$14,128,876
Washington	23	1.60%	\$12,201,803	\$5,963,337	NA	NA	\$6,238,466	3.6680%	\$3,868,548	NA	\$8,333,255
West Virginia	17	1.18%	\$9,018,724	\$6,218,910	NA	NA	\$2,799,814	1.6462%	\$1,736,199	NA	\$7,282,525
Wisconsin	22	1.53%	\$11,671,290	\$4,839,536	NA	NA	\$6,831,754	4.0169%	\$4,236,453	NA	\$7,434,837
Wyoming	3	0.21%	\$1,591,540	\$873,450	NA	NA	\$718,090	0.4222%	\$445,296	NA	\$1,146,244
Total	1,442	100.00%	\$765,000,000	\$700,390,091	\$105,466,335	100.0000%	\$170,076,244	100.0000%	\$105,466,335	\$105,466,335	\$765,000,000

Footnotes:

<sup>1</sup> FY 2013 Estimates from July 2013 CMS Survey of States; Estimates Are For Months October 2012 Through September 2013.

<sup>2</sup> For Need States, Final FY 2013 QI Allotment is equal to Initial QI Allotment in Column D increased by amount in Column K; For Non-Need States, Final FY 2013 QI Allotment is equal to Initial QI Allotment in Column D reduced by amount in Column J.

<sup>3</sup> Three-year average (2009-2011) of number (000) of Medicare beneficiaries in State who are not enrolled in Medicaid but whose incomes are at least 120% but less than 135% of Federal poverty level.

Source: Census Bureau Annual Social and Economic Supplement (ASEC) to the 2012 Current Population Survey (CPS)

TABLE 2 - Preliminary Qualifying Individuals Allotments for October 1, 2013 through September 30, 2014

STATE	Initial QI Allotments for FY 2014			FY 2014 Estimated QI Expenditures <sup>1</sup>	Need (Difference)  If E>D, E-D	Pct of Tot. Need States  F/(Tot. of F)	Reduction Pool for Non- Need States If D >= E, D - E	Pct of Tot. Non-Need States H/(Tot. of H)	Reduction Adj. For Non-Need States Col. I x \$116,087,180	Increase Adj. For Need States Col. G x \$116,087,180	Preliminary FY 2014 QI Allotment <sup>2</sup>
	Number of Individuals <sup>3</sup> (000s)	Percentage of Total Col B/Tot. Col B	Initial QI Allotment Col C x \$785,000,000								
A	B	C	D	E	F	G	H	I	J	K	L
Alabama	33	2.13%	\$16,756,145	\$24,304,910	\$7,548,766	6.5027%	Need	Need	Need	\$7,548,766	\$24,304,910
Alaska	2	0.13%	\$1,015,524	\$374,073	NA	NA	\$641,451	0.4288%	\$497,751	NA	\$517,772
Arizona	29	1.88%	\$14,725,097	\$21,719,024	\$6,993,927	6.0247%	Need	Need	Need	\$6,993,927	\$21,719,024
Arkansas	25	1.62%	\$12,694,049	\$14,283,289	\$1,589,240	1.3690%	Need	Need	Need	\$1,589,240	\$14,283,289
California	130	8.41%	\$66,009,056	\$29,497,236	NA	NA	\$36,511,819	24.4061%	\$28,332,367	NA	\$37,676,689
Colorado	12	0.78%	\$6,093,144	\$6,744,021	\$650,877	0.5607%	Need	Need	Need	\$650,877	\$6,744,021
Connecticut	15	0.97%	\$7,616,429	\$5,030,002	NA	NA	\$2,586,428	1.7289%	\$2,007,011	NA	\$5,609,418
Delaware	5	0.32%	\$2,538,810	\$3,208,262	\$669,452	0.5767%	Need	Need	Need	\$669,452	\$3,208,262
District of Columbia	2	0.13%	\$1,015,524	\$0	NA	NA	\$1,015,524	0.6788%	\$788,024	NA	\$227,500
Florida	133	8.60%	\$67,532,342	\$78,905,990	\$11,373,648	9.7975%	Need	Need	Need	\$11,373,648	\$78,905,990
Georgia	46	2.98%	\$23,357,050	\$37,475,498	\$14,118,447	12.1619%	Need	Need	Need	\$14,118,447	\$37,475,499
Hawaii	6	0.39%	\$3,046,572	\$1,472,570	NA	NA	\$1,574,002	1.0521%	\$1,221,391	NA	\$1,825,181
Idaho	8	0.52%	\$4,062,096	\$2,684,609	NA	NA	\$1,377,487	0.9208%	\$1,068,899	NA	\$2,993,196
Illinois	63	4.08%	\$31,989,004	\$28,168,168	NA	NA	\$3,820,836	2.5540%	\$2,964,885	NA	\$29,024,119
Indiana	41	2.65%	\$20,818,241	\$6,077,393	NA	NA	\$14,740,848	9.8534%	\$11,438,573	NA	\$9,379,668
Iowa	17	1.10%	\$8,631,953	\$4,924,019	NA	NA	\$3,707,935	2.4785%	\$2,877,276	NA	\$5,754,678
Kansas	18	1.16%	\$9,139,715	\$5,698,955	NA	NA	\$3,440,760	2.3000%	\$2,669,954	NA	\$6,469,761
Kentucky	35	2.26%	\$17,771,669	\$17,488,089	NA	NA	\$283,580	0.1896%	\$220,052	NA	\$17,551,617
Louisiana	29	1.88%	\$14,725,097	\$22,748,614	\$8,023,517	6.9116%	Need	Need	Need	\$8,023,517	\$22,748,614
Maine	7	0.45%	\$3,554,334	\$7,632,104	\$4,077,771	3.5127%	Need	Need	Need	\$4,077,771	\$7,632,104
Maryland	22	1.42%	\$11,170,763	\$10,821,904	NA	NA	\$348,860	0.2332%	\$270,707	NA	\$10,900,056
Massachusetts	27	1.75%	\$13,709,573	\$10,070,400	NA	NA	\$3,639,173	2.4326%	\$2,823,918	NA	\$10,885,655
Michigan	37	2.39%	\$18,787,193	\$18,446,036	NA	NA	\$341,157	0.2280%	\$264,730	NA	\$18,522,462
Minnesota	18	1.16%	\$9,139,715	\$6,901,960	NA	NA	\$2,237,755	1.4958%	\$1,736,449	NA	\$7,403,266
Mississippi	20	1.29%	\$10,155,239	\$16,214,118	\$6,058,879	5.2192%	Need	Need	Need	\$6,058,879	\$16,214,118

STATE	Initial QI Allotments for FY 2014			FY 2014 Estimated QI Expenditures <sup>1</sup>	Need (Difference)  If E>D, E-D	Pct of Tot. Need States  F/(Tot. of F)	Reduction Pool for Non- Need States If D >= E, D - E	Pct of Tot. Non-Need States H/(Tot. of H)	Reduction Adj. For Non-Need States Col. I x \$116,087,180	Increase Adj. For Need States Col. G x \$116,087,180	Preliminary FY 2014 QI Allotment <sup>2</sup>
	Number of Individuals <sup>3</sup> (000s)	Percentage of Total Col B/Tot. Col B	Initial QI Allotment Col C x \$785,000,000								
Missouri	44	2.85%	\$22,341,527	\$6,154,273	NA	NA	\$16,187,253	10.8203%	\$12,560,952	NA	\$9,780,575
Montana	6	0.39%	\$3,046,572	\$1,617,663	NA	NA	\$1,428,909	0.9551%	\$1,108,802	NA	\$1,937,770
Nebraska	7	0.45%	\$3,554,334	\$2,347,662	NA	NA	\$1,206,672	0.8066%	\$936,351	NA	\$2,617,983
Nevada	7	0.45%	\$3,554,334	\$6,220,570	\$2,666,236	2.2968%	Need	Need	Need	\$2,666,236	\$6,220,570
New Hampshire	6	0.39%	\$3,046,572	\$2,755,828	NA	NA	\$290,744	0.1943%	\$225,611	NA	\$2,820,961
New Jersey	45	2.91%	\$22,849,288	\$8,686,979	NA	NA	\$14,162,310	9.4667%	\$10,989,640	NA	\$11,859,648
New Mexico	9	0.58%	\$4,569,858	\$4,491,904	NA	NA	\$77,953	0.0521%	\$60,490	NA	\$4,509,368
New York	102	6.60%	\$51,791,721	\$47,248,495	NA	NA	\$4,543,226	3.0369%	\$3,525,443	NA	\$48,266,278
North Carolina	48	3.10%	\$24,372,574	\$31,199,358	\$6,826,784	5.8807%	Need	Need	Need	\$6,826,784	\$31,199,358
North Dakota	4	0.26%	\$2,031,048	\$708,704	NA	NA	\$1,322,343	0.8839%	\$1,026,109	NA	\$1,004,938
Ohio	59	3.82%	\$29,957,956	\$27,260,048	NA	NA	\$2,697,908	1.8034%	\$2,093,517	NA	\$27,864,439
Oklahoma	23	1.49%	\$11,678,525	\$11,187,585	NA	NA	\$490,940	0.3282%	\$380,959	NA	\$11,297,566
Oregon	16	1.03%	\$8,124,191	\$16,228,030	\$8,103,839	6.9808%	Need	Need	Need	\$8,103,839	\$16,228,030
Pennsylvania	83	5.37%	\$42,144,243	\$33,836,544	NA	NA	\$8,307,699	5.5532%	\$6,446,591	NA	\$35,697,652
Rhode Island	5	0.32%	\$2,538,810	\$2,519,698	NA	NA	\$19,112	0.0128%	\$14,830	NA	\$2,523,979
South Carolina	33	2.13%	\$16,756,145	\$15,105,600	NA	NA	\$1,650,545	1.1033%	\$1,280,786	NA	\$15,475,358
South Dakota	3	0.19%	\$1,523,286	\$2,110,798	\$587,512	0.5061%	Need	Need	Need	\$587,512	\$2,110,798
Tennessee	43	2.78%	\$21,833,765	\$32,496,447	\$10,662,682	9.1851%	Need	Need	Need	\$10,662,682	\$32,496,447
Texas	108	6.99%	\$54,838,292	\$78,683,812	\$23,845,519	20.5410%	Need	Need	Need	\$23,845,519	\$78,683,813
Utah	7	0.45%	\$3,554,334	\$2,394,138	NA	NA	\$1,160,196	0.7755%	\$900,286	NA	\$2,654,047
Vermont	3	0.19%	\$1,523,286	\$3,813,371	\$2,290,085	1.9727%	Need	Need	Need	\$2,290,085	\$3,813,371
Virginia	33	2.13%	\$16,756,145	\$14,627,256	NA	NA	\$2,128,889	1.4230%	\$1,651,971	NA	\$15,104,174
Washington	26	1.68%	\$13,201,811	\$6,660,311	NA	NA	\$6,541,500	4.3726%	\$5,076,060	NA	\$8,125,751
West Virginia	20	1.29%	\$10,155,239	\$6,415,789	NA	NA	\$3,739,450	2.4996%	\$2,901,731	NA	\$7,253,508
Wisconsin	22	1.42%	\$11,170,763	\$4,908,586	NA	NA	\$6,262,178	4.1859%	\$4,859,312	NA	\$6,311,452
Wyoming	4	0.26%	\$2,031,048	\$915,357	NA	NA	\$1,115,690	0.7458%	\$865,751	NA	\$1,165,297
Total	1,546	100.00%	\$785,000,000	\$751,486,048	\$116,087,180	100.0000%	\$149,601,132	100.0000%	\$116,087,180	\$116,087,180	\$785,000,000

Footnotes:

<sup>1</sup> FY 2014 Estimates in Column E are from July 2013 CMS Survey of States; Estimates are for months October 2013 through September 2014.



<sup>2</sup> For Need States, Preliminary FY 2014 QI Allotment is equal to Initial QI Allotment in Column D increased by amount in Column K; For Non-Need States, Preliminary FY 2014 QI Allotment is equal to Initial QI Allotment in Column D reduced by amount in Column J.

<sup>3</sup> Three-year average (2010-2012) of number (000) of Medicare beneficiaries in State who are not enrolled in Medicaid but whose incomes are at least 120% but less than 135% of Federal poverty level.

Source: Census Bureau Annual Social and Economic Supplement (ASEC) to the 2012 Current Population Survey (CPS)

The following describes the information contained in the columns of Table 1 and Table 2:

Column A-State. Column A shows the name of each state. Columns B through D show the determination of an Initial QI Allotment for FY 2013 (Table 1) or FY 2014 (Table 2) for each state, based only on the indicated Census Bureau data.

Column B-Number of Individuals. Column B contains the estimated average number of Medicare beneficiaries for each state that are not covered by Medicaid whose family income is at least 120 but less than 135 percent of the federal poverty level. With respect to the final FY 2013 QI allotment (Table1), Column B contains the number of such individuals for the years 2009 through 2011, as obtained from the Census Bureau's Annual Social and Economic Supplement to the 2012 Current Population Survey. With respect to the preliminary FY 2014 QI allotment (Table 2), Column B contains the number of such individuals for the years 2010 through 2012, as obtained from the Census Bureau's Annual Social and Economic Supplement to the Current Population Survey.

Column C-Percentage of Total. Column C provides the percentage of the total number of individuals for each state, that is, the Number of Individuals for the state in Column B divided by the sum total of the Number of Individuals for all States in Column B.

Column D-Initial QI Allotment. Column D contains each state's Initial QI Allotment for FY 2013 (Table 1) or FY 2014 (Chart 2), calculated as the state's Percentage of Total in Column C multiplied by the total amount available nationally for QI allotments for the fiscal year. The total amount available nationally for QI

allotments each fiscal year is \$765,000,000 for FY 2013 (Table 1) and \$785,000,000 for FY 2014 (Table 2).

Columns E through L show the determination of the States' Final QI Allotments for FY 2013 (Table 1) or Preliminary QI Allotments for FY 2014 (Table 2).

Column E-FY 2013 or FY 2014 Estimated QI Expenditures. Column E contains the states' estimates of their total QI expenditures for FY 2013 (Table 1) or FY 2014 (Table 2) based on information obtained from states in the summer of 2013 and as updated.

Column F-Need (Difference). Column F contains the additional amount of QI allotment needed for those states whose estimated expenditures in Column E exceeded their Initial QI allotments in Column D for FY 2013 (Table 1) or for FY 2014 (Table 2) for such states, Column F shows the amount in Column E minus the amount in Column D. For other "Non-Need" states, Column F shows "NA."

Column G-Percent of Total Need States. For states whose projected QI expenditures in Column E are greater than their Initial QI allotment in Column D for FY 2013 (Table 1) or FY 2014 (Table 2), respectively, Column G shows the percentage of total need, determined as the amount for each Need State in Column F divided by the sum of the amounts for all states in Column F. For Non-Need states, the entry in Column G is "NA."

Column H-Reduction Pool for Non-Need States. Column H shows the amount of the pool of surplus QI allotments for FY 2013 (Table 1) or FY 2014 (Table 2), respectively, for those states that project QI expenditures for the fiscal year that are less than the Initial QI allotment for the fiscal year (referred to as Non-Need states). For

states for which the estimates in Column E of QI expenditures for FY 2013 or FY 2014, respectively, are equal to or less than their Initial QI allotments in Column D for FY 2013 or FY 2014, respectively, Column H shows the amount in Column D minus the amount in Column E. For the states with a need, Column H shows “Need.” The reduction pool of excess QI allotments is equal to the sum of the amounts in Column H.

Column I-Percent of Total Non-Need States. For states whose projected QI expenditures in Column E are less than their Initial QI allotment in Column D for FY 2013 (Table 1) or FY 2014 (Table 2), Column I shows the percentage of the total reduction pool in Column H, determined as the amount for each Non-Need state in Column H divided by the sum of the amounts for all states in Column H. For Need states, the entry in Column I is “Need”.

Column J-Reduction Adjustment for Non-Need States. Column J shows the amount of adjustment needed to reduce the Initial QI allotments in Column D for FY 2013 (Table 1) or FY 2014 (Table 2) for Non-Need States in order to address the total need shown in Column F. The amount in Column J is determined as the percentage in column I for Non-Need States multiplied by the lesser of the total need in Column F (equal to the sum of Needs in Column F) or the total Reduction Pool in Column H (equal to the sum of the Non-Need amounts in Column H). For Need States, the entry in Column J is “Need.”

Column K-Increase Adjustment for Need States. Column K shows the amount of adjustment to increase the Initial QI Allotment in Column D for FY 2013 (Table 1) or FY 2014 (Table 2) for Need States in order to address the total need shown for the fiscal year in Column F. The amount in Column K is determined as the percentage in Column

G for Need States multiplied by the lesser of the total need in Column F (equal to the sum of Needs in Column F) or the total Reduction Pool in Column H (equal to the sum of the Non-Need amounts in Column H). For Non-Need States, the entry in Column K is “NA.”

Column L-Final FY 2013 QI Allotment (Chart 1) or Preliminary FY 2014 QI Allotment (Table 2). Column L contains the Final QI Allotment for each state for FY 2013 (Table 1) or the Preliminary QI Allotment for FY 2014 (Table 2). For states that need additional QI allotment amounts for the fiscal year based on Estimated QI Expenditures in Column E as compared to their Initial QI allotments in Column D for the fiscal year (states with a projected need amount are shown in Column F), Column L is equal to the Initial QI allotment in Column D for FY 2013 (Table 1) or FY 2014 (Table 2) plus the amount determined in Column K for Need States. For Non-Need States (states with a projected surplus in Column H), Column L is equal to the QI Allotment in Column D reduced by the Reduction Adjustment amount in Column J.

### **III. Collection of Information Requirements**

This notice does not impose any information collection or recordkeeping requirements. Consequently, it does not need Office of Management and Budget review under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.).

CMS-2395-N

**Dated:** April 17, 2015.

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**Andrew M. Slavitt,**

Acting Administrator,

Centers for Medicare & Medicaid

Services.

**Dated:** May 21, 2015.

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**Sylvia M. Burwell,**

Secretary,

Department of Health and Human Services.

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